

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

VS.

MAURICIO CHAVEZ, GIORGIO
BENVENUTO and CryptoFX, LLC,

Defendants.

CBT Group, LLC,

Relief Defendant.

CIVIL ACTION NO. 4:22-CV-03359

JUDGE ANDREW S. HANEN

**RECEIVER'S UNOPPOSED MOTION TO EMPLOY BLOCKTRACE, LLC
AS CRYPTOCURRENCY CONSULTANTS**

John Lewis, Jr., as the Court-appointed Receiver in the above-referenced action, respectfully moves the Court for an order approving the retention of BlockTrace, LLC to serve as the Receiver's cryptocurrency consultants in this matter. In support of this Motion, the Receiver states the following:

1. On September 19, 2022, the Securities and Exchange Commission (“SEC”) filed a Complaint against Defendants Mauricio Chavez, Giorgio Benvenuto, CryptoFX, LLC, and CBT Group, LLC (together “Receivership Defendants”). (“Complaint,” Doc. No. 3). The Complaint alleges that Defendants perpetrated a multi-million dollar securities fraud directed at Latino investors. *Id.*

2. On September 29, 2022, upon motion of the SEC, the Court entered an Order Appointing John Lewis, Jr. as Receiver in this matter (“Receivership Order”). (Doc. No. 11). The

Receivership Order authorizes the Receiver without further order of this Court to, among other things, engage and employ professionals. *See* Receivership Order at ¶ 7(f). However, in the interest of transparency, and out of abundance of caution, the Receiver seeks this Court’s approval, with notice to all parties of record, including the SEC, for leave to employ BlockTrace as a Retained Personnel, as defined in the Receivership Order. *See* Receivership Order at ¶ 56.

3. The Receiver seeks permission to employ BlockTrace, LLC and its Director of Investigations James Daniels (“Daniels”) to assist him in effectively carrying out his duties under the Receivership Order.

4. BlockTrace specializes in blockchain forensics and analytical services. The company is based in Austin, TX.¹ Daniels has served as Director of Investigations for BlockTrace since October 2020. Daniels has several years of experience in cryptocurrency tracing and related investigations. He worked as a Special Agent with the Internal Revenue Service, Criminal Investigation (“IRS-CI”) for 25 years from 1995 through 2020, and since 2016 was responsible for the program areas of cryptocurrency and the dark web.

5. The Receiver proposes, with approval of this Court, to compensate BlockTrace and Daniels on an hourly basis. The firm will charge an hourly rate of \$360, which represents a 15% discount from the company’s standard hourly rate of \$425.

6. The Receiver and other Retained Personnel will seek compensation and expense reimbursement upon approval of the Court and as further described in the Receivership Order.

7. BlockTrace and Daniels do not represent any other party to this case and, based on the information currently available, do not represent any other person or entity with an interest in

¹ <https://www.blocktrace.com/>

this matter. A Declaration Pursuant to Order Appointing Receiver signed by James Daniels, Director of Investigations for BlockTrace, is attached as Exhibit “A.”

ACCORDINGLY, the Receiver, John Lewis. Jr., requests that the Court enter an order permitting him to retain BlockTrace and Daniels as set forth herein.

Dated: January 3, 2023

Respectfully submitted,

SHOOK, HARDY & BACON L.L.P.

By: /s/ Sonila Themeli

Sonila Themeli
Texas Bar No. 24073588
S.D. Tex. Bar No. 2828237
600 Travis Street, Suite 3400
Houston, TX 77002
Telephone: 713.227.8008
Facsimile: 713.227.9508
sthemeli@shb.com

Caroline M. Gieser
(admitted *pro hac vice*)
SHOOK, HARDY & BACON L.L.P.
1230 Peachtree Street, NE, Suite 1200
Atlanta, GA 30309
Telephone: 470.867.6000
mcgieser@shb.com

Counsel for Court-Appointed Receiver

CERTIFICATE OF CONFERENCE

I hereby certify that that I have conferred with Plaintiff's counsel as well as counsel for Defendant Mauricio Chavez and counsel for Defendant Giorgio Benvenuto regarding this Motion. All counsel have stated that they are not opposed to the relief requested in this Motion.

/s/ Sonila Themeli

Sonila Themeli

CERTIFICATE OF SERVICE

I hereby certify that on this the 3rd day of January, 2023, the above and foregoing document was filed electronically through the CM/ECF system, which sent notification of such filing to all known counsel of record as follows:

Matthew J. Gulde
UNITED STATES SECURITIES
AND EXCHANGE COMMISSION
Burnett Plaza, Suite 1900
801 Cherry Street, Unit 18
Fort Worth, TX 76102
Telephone: 817.978.1410
Facsimile: 817.978.4927
guldem@sec.gov

***Counsel for Plaintiff United States
Securities and Exchange Commission***

Paul D. Flack
PRATT & FLACK, LLP
4306 Yoakum Blvd., Suite 500
Houston, TX 77006
Telephone: 713.705.3087
pflack@prattflack.com

Counsel for Defendant Mauricio Chavez

Dan L. Cogdell
Jones, Walker L.L.P.
811 Main Street, Suite 2900
Houston, TX 77002
Telephone: 713.437.1869
Facsimile: 713.437.1810
dcogdell@joneswalker.com

***Counsel for Defendant
Giorgio Benvenuto***

/s/ Sonila Themeli

Sonila Themeli